Net Positive is a new approach to doing business. To succeed, business must do more than minimise its negative impact – it must be designed to have a positive impact on the world.

Code of conduct
for factory working conditions
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Introduction

This Code of Conduct defines the labour and basic environmental standards that vendors supplying Kingfisher operating companies must achieve in their factories and worksites in our joint supply chains.

Kingfisher recognises the international standards set out in the International Labour Organisation (ILO) Conventions. This Code is based on these standards and is designed to ensure that the rights of all workers (whether permanent, temporary, casual or seasonal, local or migrant workers) are respected and protected.

All vendors must be committed to:

- giving Kingfisher visibility of its joint supply chain
- complying with Critical Failure Points on all factories
- working towards meeting these Kingfisher standards in their factories.

We recognise that not all factories will be able to achieve all of the standards immediately. However, all factories must meet the nine Critical Failure Points (set out on the following page), which define the minimum entry standard for all vendors as a condition of supply.
Implementation

Each Operating Company and Sourcing Office is required to develop a strategy and action plan for supporting continuous improvement in vendor performance with the ultimate goal of bringing all vendors and their supply chains into line with the entire Code. Progress towards achieving this is monitored through the ‘Steps to Responsible Growth’ management system.

Strategies must include:

- a commitment to obtain transparency throughout the supply chain
- specific targets for the vendor base and supply chain
- clearly defined requirements
- systems for assessing performance
- systems for following up non-compliances
- responsibilities
- resourcing.

Critical Failure Points

Kingfisher will only buy from factories and worksites that demonstrate the following minimum requirements:

1. The factory only employs workers who are over the local legal minimum age. Where this is less than 15, or where there is no legal minimum age, workers should not be less than 15 years old.9

2. Factories do not use forced, bonded or involuntary labour.

3. Workers are not forced to lodge unreasonable deposits or their identity papers with their employers.

4. Workers are not subject to physical abuse, the threat of physical abuse, verbal abuse or any other forms of intimidation.

5. There must be an adequate number of safe, unblocked fire exits, escape routes and fire fighting equipment accessible to workers from each floor or area of the factory and accommodation (if provided).

6. The factory is a safe and hygienic place to work.

7. Accommodation, if provided, is safe and hygienic, and is segregated from the factory or production area and from material storage areas.

8. The factory does not knowingly contravene local and national environmental legislation without being able to demonstrate a plan of action to improve.

9. Factory management demonstrates a willingness to improve on any significant areas of concern identified and is committed to working towards meeting the standards of the Code of Conduct.
The Kingfisher Standards

The following standards are those we expect to find in all the factories and worksites in our supply chains, and we will work in partnership with vendors and factories, in a process of continuous improvement to ensure that these standards are met over time. Some standards are Critical Failure Points (CFPs) and as such must be met as a condition of supply.

Age of Workers
Kingfisher supports ILO Convention 138 with regard to the appropriate age of workers and therefore:

■ **CFP 1** Factories and production sites must only employ workers who are over the local legal minimum age. Where this is less than 15, or where there is no legal minimum age, workers should not be less than 15 years old.3

■ Young workers (below the age of 18) do not work: at night (i.e. between the hours of 10pm and 6am), on tasks that are potentially hazardous to their health and/or longer hours than permitted by local law.

Forced Labour

■ **CFP 2** Factories do not use forced, bonded or involuntary labour.

■ **CFP 3** Workers are not forced to lodge unreasonable deposits or their identity papers with their employers. In countries where deposits are prohibited by law, no deposits are allowed.

■ **CFP 4** Workers are not subject to physical abuse, the threat of physical abuse, verbal abuse or any other forms of intimidation.

Terms of Employment

Hours of Work

■ Standard working hours comply with the limit set by local law.4

■ Overtime hours comply with the limit and regulations set by local law.

■ All overtime is voluntary.

■ Workers have at least one day off in every seven days as an average throughout the year.

■ Workers take suitable and sufficient breaks during the working day.

Wages

■ Wages and benefits comply with local law (or are in line with industry norms, where these are higher than the legal minimum wage).

■ Overtime is paid at an additional rate.

■ Any deductions from wages are clearly communicated to workers and are reasonable in the context of the total wage.

■ Wages are paid regularly (at least monthly) and on time.

■ All workers receive payslips that clearly show how wages are calculated and all deductions from wages.

■ Any loan or credit schemes operated by factories for their workers should be transparent, clearly explained to workers and fully documented.
Discrimination
- There is no discrimination in hiring, promotion or employment conditions on any grounds.

Contract of Employment
- All workers have signed a written contract that sets out the terms and conditions of their employment in a language that they understand and they have been given a copy of it.
- Terms and conditions of employment must be clearly communicated in a language understood by workers.
- All disciplinary rules are written and communicated to workers in a language understood by them.

Representation
- Workers should have the right and freedom of choice to belong, or not to belong to a trade union of their choosing, without pressure or influence from the business.
- Where this right is restricted by law, management should facilitate the development of alternative means for workers’ representation as permitted by the legal framework.
- There is a clear, recognised process of worker representation to ensure good flow of communication between workers and management and to allow workers’ views and opinions to be discussed with management.
- Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.

Health and Safety
- CFP 5 There must be an adequate number of safe, unblocked fire exits, escape routes and fire fighting equipment accessible to workers from each floor or area of the factory and accommodation (if provided).
- CFP 6 The factory is a safe and hygienic place to work.
- The factory takes adequate and appropriate steps to prevent avoidable health and safety hazards.
- The use of hazardous substances/activities is kept to a minimum. The risk of harm from hazardous substances /activities is minimised through the provision of safety equipment, signage, training and a safe factory infrastructure.
- Adequate provision is made for the fighting of fire and evacuation in all areas of the factory or production site.
- There is a specific, named manager with responsibility for health and safety.
- Factories are able to demonstrate proactive management and improvement of health and safety issues.

Hygiene
- The factory provides a clean and hygienic place of work and rest consistent with local standards and the nature of the industry.
- Workers have access to clean and safe drinking water at all times.
- Workers have access to sufficient clean and hygienic toilets and washing facilities.
Accommodation

- **CFP 7** Accommodation, if provided, is safe and hygienic, and is segregated from the factory or production area and from material storage areas.
- Accommodation is clean and hygienic, comfortable and provides for individual privacy.
- Adequate provision is made for the fighting of fire and evacuation in accommodation areas.
- Recreational facilities are provided within or accessible to the living area.

Supply Chain Management

- Factory managers understand the supply chain of their products and are willing to provide details of the supply chain to the relevant Kingfisher Operating Company/Sourcing Office.
- Factory managers work with their key suppliers and subcontractors to help them work towards meeting these standards over an agreed period of time.
- Subcontractors and home workers are only used where there is full visibility of the entire supply chain.

Environment

- **CFP 8** The factory understands its environmental impacts, complies with local and national environmental legislation, or is able to demonstrate a plan of action to improve.
- Factories have a meaningful environmental policy signed by the Chief Executive.
- Where necessary, factories should have an environmental action plan against which progress is measured.

Management Commitment

- **CFP 9** Factory management demonstrates a willingness to improve on any significant areas of concern identified and is committed to working towards meeting the standards of the Code of Conduct.

Note: We expect to see these standards in our entire supply chain, with the rare exception of where we respect the legislation of different nation states, should it differ, but this can only take place with specific permission. We do however always demand an adherence to fundamental human rights, and respect for the dignity and welfare of all the people working within our supply chains.

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1. The Kingfisher Code of Conduct for factory working conditions applies to factories and other forms of work or production sites producing products to supply a Kingfisher Operating Company or Sourcing Office.

2. The Kingfisher Code of Conduct reflects the standards set out in ILO Conventions, including the following:
   - ILO Core Conventions 29 and 105 and Recommendation 35 (Forced and Bonded Labour); ILO Core Convention 111 and Recommendation 111 (Discrimination in Employment and Occupation); ILO Core Convention 138 and Recommendation 146 (Minimum Age); ILO Convention 155 and Recommendation 164 (Occupational Safety & Health); ILO Convention 87, 98 (Freedom of Association and Collective Bargaining).

3. Factories should keep accurate records of the ages of all workers and should keep a list of young workers (under 18).

4. Factories should keep accurate records showing the hours worked by each worker (both standard working hours and overtime hours).

5. A meaningful environmental policy is one which:
   - identifies the main environmental impacts of the business
   - sets out a basic management system, including assessing environmental impacts, setting targets for improvement and reviewing progress on a regular basis
   - defines responsibilities: the policy should outline the role of employees, include the name of the senior manager with ultimate responsibility for environmental performance and must be signed by the Chief Executive
   - ultimately, the environmental policy should give confidence that the company is aware of its impact on the environment and is committed to doing something about it.
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